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men over there are simply war weary, and though some people have called it pacifism, I feel assured after spending some time in London that it is just war weariness—that these people have a spirit that is so beautiful that it is beyond words to express; that they are standing with their shoulders to the wheel; that they are standing fast behind their government and that every single, solitary woman and man in the whole of England, from the little girl of twelve or fourteen wearing her brown cotton smock and running on errands as a messenger for the government departments, is organized today for war, and that is what we must do in this country.

"BUSINESS AS USUAL"

BY EDWARD A. FILENE,

Boston, Massachusetts.

The certainty of victory and the length of time it will take to win it will to an important degree be determined by the extent to which the American people are willing to economize in personal expenditures. "Business as Usual" is a bad *war* policy, a bad *business* policy, and a bad *labor* policy. It distorts the nation's perspective and postpones the day when we shall see, to the last man of us, that the one business that now matters is winning the war and organizing a durable peace that shall give free and fearless play to the creative and constructive energies of the world. The restriction of personal expenditures to necessities will enable the country to concentrate its entire productive power on the things essential to winning the war. I am profoundly convinced that in making this statement I am true, not only to the best interests of my country, but to the best interests of my class—the business men of America. War will produce more business than economy will curtail.

On May 31 of last year I gave to the press a statement along these lines. The statement evoked from some quarters criticism as bitter as the agreement with it in other quarters was pronounced. Succeeding events have confirmed my belief in the soundness of this statement. I was not *then* in sympathy with such appeals as were being boldly spread broadcast urging people to keep right on spending as usual and branding economy as a sort of business treason. I

am not *now* in sympathy with the more subtly written advertisements which, while seeming to take into account the demands of war time, nevertheless dull the edge of the appeal being made by our government for thrift and economy. I do not for one moment think that such appeals are in many cases prompted by selfish motives. There is no class of men who, in my judgment, are more ready to make patriotic sacrifices than business men.

The campaign for "Business as Usual" was launched at the beginning of the war by men who sincerely feared that widespread economy would cripple the war power of the nation by cutting down the volume of business, reducing the demand on producers, throwing men out of employment and disturbing the business and financial morale of the country generally.

But events are illustrating daily better than any arguments can prove it, that a "Business as Usual" policy will prolong the war and hamper the fighting effectiveness of our nation every day it is practiced. Business has but one job today and that is doing the thing that will bring victory at the earliest possible moment. And business cannot serve two masters. Even before our entrance into the war our productive capacity was taxed to the limit. We simply cannot fulfill all the added demands of war and at the same time satisfy all of the appetites of peace. Our job is the business of war—not business as usual.

War demands not only an organized army but an organized nation, and both must be organized to the same end. The entire United States must be organized into a combination of factory, training camp and shipyard. And every day that unnecessary private demands for luxuries and those things which common sense people know are not necessary for their every day lives prevents our factories from being converted into war supply plants, and diverts labor from war essentials to non-essentials, by just that much postpones a satisfactory ending of the war.

England went about business as usual at the beginning of the war. After a long period of wasted blood and treasure and tragic inefficiency, she learned her lesson. Through government action, England's business has been divided into two classes—essential and non-essential. Notice was served on almost all non-essential business that it must move up into the essential class. The volume of English business has not been decreased but it has been directed solely to the job in hand.

Upon our entrance into the war, England and France sent her commissioners to tell us, out of their experience, how to avoid the pitfalls that beset a democracy going to war. We dined and applauded these distinguished guests, but the finest appreciation we can give them is not to let their counsel go by default. The question America faces is just this: Shall the *voluntary economy* of the people make it possible for all American business to become essential business, or can that end be reached by *drastic government action* only, and after a long period of wasted life and money and needless inefficiency? We have enormous resources, but they are not infinite. We must now examine all production and distribution in the light of its ultimate contribution to the winning of the war. If business becomes a slacker through holding on to non-essential production and selling, it will have to be *conscripted* for essential service.

Some business men who, at the beginning of the war, urged business as usual did it from the fear that if personal economy were preached by the rank and file of business men, the habit of restricted buying would get abroad so rapidly that the retrenchment would force a readjustment so quickly as to spell disaster. I did not then and do not now share that fear. The public cannot be converted over night. In the main, prosperity or adversity, much buying or little buying, are not controlled finally either by campaigns for economy, or by paid advertisements urging business as usual. They are caused in the main by natural economic laws. Preach economy as vigorously as we may, we can be sure that the public will move slowly enough to prevent a panic in readjustment.

I emphasized this point in the statement which I made last May—the soundness of which seems to be borne out by the present statistics and estimates regarding our savings. A recent study of Government Loans and Inflation by Howard S. Mott, vice-president of the Irving National Bank of New York says that:

Our gross annual income in 1917 totalled about fifty billions of dollars. Out of this total, it is estimated that our savings ranged from six to ten billion dollars. . . . It would be surprising if the figures of gross annual income of all savings in 1918 should equal those of 1917. Certainly it does not seem safe to count on normal savings this year of more than six billion dollars. *Especially does this seem to be true considering the inadequate scale on which individual economy presently is practised. The only way in which total savings can be increased lies in the direction of unusual efforts to reduce consumption.*

Mr. Mott also points out that the second liberty loan cannot be said to have been paid for out of current savings. He says:

During the period when subscriptions to the second liberty loan were being taken, the banks provided an easy method of subscribing by making loans secured by the bonds as collateral. Up to date, a comparatively small proportion of those loans has been reduced or paid for. When the loans were made, the expectation was that reductions in amount would be made fairly rapidly out of future savings, so that the total would be dwindling to small figures before the next bond issue should be made. It now appears that we shall enter the campaign for subscriptions to the third liberty loan with a considerable volume of such loans still outstanding.

If the space permitted, I could bring together numerous quotations from the most conservative of our business men that indicate an increasing realization of the fact that the concentration of our productive energies upon the supply of war needs and the sound health of our financial life can be secured in one of two ways only: either our business will be redirected to the production and sale of essentials by the voluntary and gradual economy of the people, or it will have to be done later by increasingly drastic methods of government control.

The one thing that will break the vicious circle of war taxes, luxury and waste, rising prices, reduced governmental purchasing power, and back again to more taxes or bond issues, is sane economy on the part of every American. Thus economy not only adds to the war power of the nation but lightens the burden of taxes to the individual.

Some of the men who have preached "Business as Usual" have based their appeal partly upon the fear that economy would throw many people out of employment. Some had visions of hundreds of salespeople being thrown out of our big stores, skilled workmen searching for jobs—in fact labor in general demoralized. But the facts to date prove that there is more than enough work for all. With the prospect of two to five millions of men being withdrawn from business and industry for the army and with the enormous added demands for war supplies, the outlook is that our problem will not be finding jobs for workers, but finding workers for jobs. And just here, this brief statement of mine touches the issue of labor efficiency. Reduced to the simplest terms, labor efficiency in war time means three things:

It means the releasing of labor from all non-essential jobs for work upon war materials.

It means the squarest of square deals for the workmen who are turning out our war materials.

It means the stimulation and conservation of labor efficiency by every practical means.

From the employer's point of view, that means an adequate system of employment management which shall see to it that the conditions under which men labor, the length of hours they labor, etc., shall be such as will conduce to the maximum of content and efficiency; it means mutual fairness of counsel between capital and labor in the adjustment of wages; and it means a sense of dedication to a great end both upon the part of employer and employee.

In the appeal I have made for economy and in the attempt to show the fallacy of business as usual in war time, I have concerned myself with the one thing outside of drastic government action which, in my judgment, will make possible the release of workers from non-essentials for work upon war essentials. But aside from all these reasons, a rigid regime of economy will do this notoriously wasteful nation a lasting good. It will do democracy's wilful stomach good to go on a war-time diet. It will reduce the waist-line, clear the eye, and harden the muscles of the nation. We have the chance to shift our whole national life from an extravagant to a healthy and sane basis at the time when government demands will make up for the curtailment of individual expenditure, and thus prevent business disaster.

The time has come when the government also should face the situation more boldly. When it is clearly shown that any type of business is depriving the country of materials, supplies, labor or transportation needed for winning the war, then the government should stop such business unless it can be transformed so as to deal only with essentials.

Of course, in all this throwing of our nation into a war machine, in all this giving of war demands the right of way, certain individual businesses must of necessity suffer, just as in the army certain individual soldiers must be wounded and certain soldiers make the supreme sacrifice.

But such business suffering should be reduced to a minimum. In such cases justice demands that fair compensation should be made to the owners, who, in the pre-war period, invested their

capital and time legitimately and who ought not to be made to bear alone the burden of an unforeseen governmental requirement which is needed to win the war, and is, therefore, of the utmost use to all our people.

However costly such compensation may be, I believe that careful analysis and experience will show that it will result in a net gain to all concerned. With this measure of justice added to the inherent patriotism of our people, the cry of "Business as Usual" will wholly disappear and be replaced by "Winning the War for Lasting Peace—Our Only Business."

THE MAINTENANCE OF LABOR STANDARDS

BY J. W. SULLIVAN,

American Federation of Labor.

However brief, any discussion of standards of wages, hours and work-place conditions would be incomplete without some consideration of the economic influences determining those standards. It may not be difficult to form an abstract opinion as to the lowest general level which standards ought to reach, but there will remain the trouble of particulars.

That in practice there should at least be a living wage, general sentiment will usually concede, but discussion by the buyers and sellers of labor power will grow heated as to the point at which the wage rate falls below the living line as well as to the point at which the wage must mount with the profits of the employer and the skill, habit and expectation of the various classes of wage-workers concerned.

The hours of the workday in any occupation, civilized society holds, should not be so long as to wear out working men, women or children, but while physiologists, and sociologists in general, bring forward facts to show that the eight-hour day in the course of the year results in fewer accidents, a larger output from the factory, and a less general wear and tear on the workers, the arguments supporting these points do not deter a large body of employers from insisting upon the ten or twelve-hour day.

Work-place conditions may be studied, either with the purpose